

**AUDITED FINANCIAL STATEMENTS  
AND REPORTS OF INDEPENDENT AUDITOR**

**TOWN OF WISTER, OKLAHOMA**

**JUNE 30, 2022**



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

**TOWN OF WISTER, OKLAHOMA**  
**JUNE 30, 2022**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Table of Contents	1
Independent Auditor's Report	2-3
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Schedule of Findings	6
Disposition of Prior Year's Schedule of Findings	7
 <b>Government-Wide Financial Statements:</b>	
Statement of Net Assets – Modified Cash Basis	8
Statement of Activities – Modified Cash Basis	9
 <b>Fund Financial Statements:</b>	
Balance Sheet – Modified Cash Basis - Governmental Funds	10
Statement of Revenues, Expenditures and Changes in Fund Balances – Modified Cash Basis - Governmental Funds	11
Statement of Net Assets – Modified Cash Basis – Proprietary Fund	12
Statement of Revenues, Expenditures and Changes in Fund Net Assets – Modified Cash Basis – Proprietary Fund	13
Statement of Cash Flows – Modified Cash Basis – Proprietary Fund	14
<b>Notes to the Financial Statements</b>	15-27
 <b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule - Modified Cash Basis - General Fund	28



**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT**

To the City Council  
Town of Wister  
Wister, OK 74966

**Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities and business-type activities of Town of Wister (the Town), Wister, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and business-type activities of Town of Wister as of June 30, 2022, and the respective changes in modified cash basis net assets and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Emphasis of Matter – Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Matters**

##### *Other Information*

Management is responsible for the other information included in the audit report. The other information comprises the budgetary comparison information, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated February 7, 2023, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants

February 7, 2023





**JENKINS & KEMPER**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA  
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council  
Town of Wister  
Wister, Oklahoma 74966

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Town of Wister as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon, dated February 7, 2023. Town of Wister has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board requires to supplement, although not be a part of, the basic financial statements.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion

on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Jenkins & Kemper, CPAs P.C.*

Jenkins & Kemper  
Certified Public Accountants, P.C.

February 7, 2023

**TOWN OF WISTER, OKLAHOMA  
SCHEDULE OF FINDINGS  
JUNE 30, 2022**

There were no findings.

**TOWN OF WISTER, OKLAHOMA  
DISPOSITION OF PRIOR YEAR'S FINDINGS  
JUNE 30, 2022**

There were no prior year findings.



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**TOWN OF WISTER, OKLAHOMA**  
**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS**  
**JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash, and cash equivalents	\$ 396,651	78,984	475,635
Noncurrent Assets:			
Restricted cash, and cash equivalents		49,947	49,947
Total noncurrent assets		49,947	49,947
Total Assets	396,651	128,931	525,582
<u>LIABILITIES</u>			
Current Liabilities:			
Payroll taxes payable	693	711	1,404
Capital lease, due in one year	18,371	32,465	50,836
Total current liabilities	19,064	33,176	52,240
Noncurrent Liabilities:			
Refundable deposits		50,161	50,161
Capital lease, less current portion	68,143	16,505	84,648
Total noncurrent liabilities	68,143	66,666	134,809
Total Liabilities	87,207	99,842	187,049
<u>NET ASSETS</u>			
Unrestricted	309,444	29,089	338,533
Total Net Assets	\$ 309,444	29,089	338,533

The accompanying notes are an integral part of these financial statements.

**TOWN OF WISTER, OKLAHOMA**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/Revenue and Changes in Net Assets		TOTALS
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Primary Government:</b>							
Governmental Activities -							
Clerk	\$ 600				(600)		(600)
General Government	215,879	3,050	92,742	-	(120,087)		(120,087)
Total general government	216,479	3,050	92,742	-	(120,687)		(120,687)
Public Safety:							
Police	172,736	129,115			(43,621)		(43,621)
Animal Control	1,349				(1,349)		(1,349)
Fire	71,573	14,375	8,034		(49,164)		(49,164)
Total public safety	245,658	143,490	8,034	-	(94,134)		(94,134)
Transportation:							
Streets	76,452				(76,452)		(76,452)
Total governmental activities	538,589	146,540	100,776	-	(291,273)		(291,273)
Business-Type Activities -							
Water, Sewer & Sanitation	411,154	446,429	-	-		35,275	35,275
Total business-type activities	411,154	446,429	-	-		35,275	35,275
Total primary government	\$ 949,743	592,969	100,776	-	(291,273)	35,275	(255,998)
General revenues-							
Taxes-							
Sales tax					\$ 311,260		311,260
Franchise taxes					25,719		25,719
Use tax					82,792		82,792
Motor vehicle tax					8,220		8,220
Gas tax					1,857		1,857
Cigar tax					2,435		2,435
Alcohol beverage tax					16,899		16,899
Business permits					1,500		1,500
Miscellaneous					27,806	2,388	30,194
Investment earnings					351	125	476
Total general revenues and special items					478,839	2,513	481,352
Change in net assets					187,566	37,788	225,354
Net assets, beginning of period					121,878	(8,699)	113,179
Net assets, end of period					\$ 309,444	29,089	338,533

The accompanying notes are an integral part of these financial statements.

**TOWN OF WISTER, OKLAHOMA  
BALANCE SHEET - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2022**

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash, and cash equivalents	\$ 396,651	396,651
Investments	-	-
Total assets	<u>396,651</u>	<u>396,651</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Payroll taxes payable	<u>693</u>	<u>693</u>
Total Liabilities	<u>693</u>	<u>693</u>
Fund Balances:		
Unreserved	<u>395,958</u>	<u>395,958</u>
Total Liabilities and Fund Balances	<u>\$ 396,651</u>	

**Reconciliation to Statement of Net Assets:**

Amounts reported for governmental activities in the statement of net assets are different because:

Some liabilities, including capital debt obligations payable, are not due and payable in the current period and, therefore are not reported in the funds.

	<u>(86,514)</u>
Net assets of governmental activities	<u>309,444</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF WISTER, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS - GOVERNMENTAL FUNDS**  
**FOR YEAR ENDED JUNE 30, 2022**

	General Fund	Total Governmental Funds
<b>Revenues:</b>		
Taxes	\$ 449,182	449,182
Charges for services	17,425	17,425
Federal grants	92,742	92,742
State grants	8,034	8,034
Fines, fees and forfeitures	130,615	130,615
Interest income	351	351
Miscellaneous	27,806	27,806
Total Revenues	<u>726,155</u>	<u>726,155</u>
<b>Expenditures:</b>		
General Government:		
Clerk	600	600
General Government	215,879	215,879
Public Safety:		
Police	191,171	191,171
Animal Control	1,349	1,349
Fire	83,571	83,571
Street and Public Works:		
Streets	83,000	83,000
Total Expenditures	<u>575,570</u>	<u>575,570</u>
Excess (deficiency) of revenues over expenditures	150,585	150,585
Fund balances - beginning	<u>245,373</u>	<u>245,373</u>
Fund balances - ending	<u><u>\$ 395,958</u></u>	<u><u>395,958</u></u>
Reconciliation to the Statement of Activities:		
Net change in fund balances - total governmental funds		\$ 150,585
Amounts reported for governmental activities in the Statement of Activities are different because:		
Principal payments are not considered expenditures in the governmental activities report		<u>36,981</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 187,566</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF WISTER, OKLAHOMA**  
**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS**  
**PROPRIETARY FUND**  
**JUNE 30, 2022**

	Wister Public Works Enterprise Fund
<u>ASSETS</u>	
Current assets:	
Cash, and cash equivalents	\$ 78,984
Total current assets	<u>78,984</u>
Noncurrent assets:	
Restricted cash and cash equivalents	<u>49,947</u>
Total noncurrent assets	<u>49,947</u>
Total Assets	<u><u>128,931</u></u>
<u>LIABILITIES</u>	
Current Liabilities:	
Payroll taxes payable	711
Current maturities of long-term debt	<u>32,465</u>
Total current liabilities	<u>33,176</u>
Noncurrent Liabilities:	
Refundable deposits	50,161
Long-term debt	<u>16,505</u>
Total noncurrent liabilities	<u>66,666</u>
Total Liabilities	<u><u>99,842</u></u>
<u>NET ASSETS</u>	
Unrestricted	<u>29,089</u>
Total Net Assets	<u><u>\$ 29,089</u></u>

The accompanying notes are an integral part of these financial statements.



**TOWN OF WISTER, OKLAHOMA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**AND CHANGES IN FUND NET ASSETS**  
**MODIFIED CASH BASIS - PROPRIETARY FUNDS**  
**FOR YEAR ENDED JUNE 30, 2022**

	Wister Public Works Enterprise Fund
<b>Operating Revenues:</b>	
Charges for services:	
Water, sewer, & sanitation	\$ 446,429
Miscellaneous	2,388
Total Operating Revenues	<u>448,817</u>
<b>Operating Expenses:</b>	
Salaries and wages	171,498
Water purchases	74,719
Contracted services	65,404
Operating supplies	42,855
Office expenses	7,656
Sanitation operations	19,129
Utilities	4,472
Insurance expenses	9,016
Legal and accounting	6,830
Miscellaneous	6,019
Total Operating Expenses	<u>407,598</u>
Net Operating Income (Loss)	41,219
<b>Non-Operating Revenues (Expenses):</b>	
Interest expense	(3,556)
Interest income	125
Total Non-Operating Revenues (Expenses)	<u>(3,431)</u>
Changes in net assets	37,788
Total Net Assets - Beginning	<u>(8,699)</u>
Total Net Assets - Ending	<u><u>\$ 29,089</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF WISTER, OKLAHOMA**  
**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**FOR YEAR ENDED JUNE 30, 2022**

	Wister Public Works Enterprise Fund
Cash Flows from Operating Activities:	
Receipts from customers	\$ 448,817
Payments to employees	(172,707)
Payments to suppliers	(236,100)
Net Cash Provided by Operating Activities	<u>40,010</u>
Cash Flows from Noncapital Financing Activities:	
Increase (decrease) in refundable deposits	1,560
Net Cash Provided (Used) by Operating Activities	<u>1,560</u>
Cash Flows from Capital and Related Financing Activities:	
Principal paid on debt	(31,767)
Interest paid on debt	(3,556)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(35,323)</u>
Cash Flows from Investing Activities:	
Interest on investments	125
Net Cash Provided by Investing Activities	<u>125</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,372
Balance - beginning of the year	<u>122,559</u>
Balance - end of the year	<u><u>\$ 128,931</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:	
Operating income (loss)	\$ 41,219
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in payroll taxes payable	(1,209)
Net cash provided by operating activities	<u><u>\$ 40,010</u></u>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. Summary of Significant Accounting Policies**

The financial statements are presented on a modified cash basis of accounting. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The following represent the more significant accounting and reporting policies and practices of the Town.

Reporting Entity - The financial statements include all activities, which should be included as determined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. In accordance with Statement No. 14, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

The primary government is financially accountable if it appoints a voting majority of the organization's governing body and, 1) it is able to impose its will on that organization, or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has 1) a separately elected governing board, 2) a governing board appointed by a higher level of government, or 3) a jointly appointed board.

The reporting entity's financial statements should present the fund types and account groups of the primary government, including its blended component units, which are, in substance, part of the primary government, and provide an overview of the discretely presented component units.

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**1. Summary of Significant Accounting Policies – contd.**

A component unit should be included in the reporting entity's financial statements using the blending method in either of these circumstances:

- a) The component unit's governing body is substantively the same as the governing body of the primary government.
- b) The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Discrete presentation of component units entails reporting component unit financial data in a column separate from the financial data of the primary government.

The primary government in the financial reporting entity of the Town of Wister, is the Town of Wister. The component unit, which has been included in the reporting entity using the blending method, is the Wister Public Works Authority. This component unit was blended into the primary government since it met both of the criteria above to be included using the blending method.

No other entities or organizations were determined to be financially accountable to the primary government, nor was the nature or significance of their relationship with the primary government such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the foregoing criteria the Wister Public Works Authority is included in the Town's annual financial report as a blended component unit. Separate financial statements for the blended component unit have not been prepared.

**A. BASIS OF PRESENTATION**

**Government-Wide Financial Statements**

The Statement of Net Asset and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

1. **Summary of Significant Accounting Policies – contd.**

A. **BASIS OF PRESENTATION** – contd.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. The Town presently has no fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

General Fund

The general fund is the primary operating fund of the Town and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Proprietary Funds**

Enterprise Funds

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise fund that is reported as a major fund:



**TOWN OF WISTER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**1. Summary of Significant Accounting Policies – contd.**

**A. BASIS OF PRESENTATION**

Enterprise Funds –contd.

Wister Public Works Authority – The Wister Public Works Authority (WPWA) was created February 8, 1972 to finance, develop, and operate the water, wastewater, and sanitation activities of the Town. Current Town Council serves as the entire governing Body (Trustees). Debt issued by the WPWA requires two-thirds (2/3) approval of the Town Council.

**B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

In the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available expendable financial resources during a given period. These funds use fund balance as their measure of available expendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current, financial, or non-financial) associated with their activities are reported. Proprietary fund equity is classified as net assets.

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

1. **Summary of Significant Accounting Policies – contd.**

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – contd.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental, business-like, and component units activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, proprietary fund statements, and the similar discretely presented component unit statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

C. ASSETS, LIABILITIES, AND FUND EQUITY

CASH AND CASH EQUIVALENTS - For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

INVESTMENTS – Investments classified in the financial statements consist entirely of certificate of deposit whose original maturity exceeds three months. Investments are carried at cost, which approximates fair value.

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

1. **Summary of Significant Accounting Policies – contd.**

C. ASSETS, LIABILITIES, AND FUND EQUITY – contd.

CAPITAL ASSETS - Expenditures for property and equipment of governmental funds and expendable trust funds are recorded as fund expenditures; however, no detail fixed assets records are maintained for such assets still in service.

Fixed assets acquired by the Enterprise Funds are not capitalized as property and equipment within the Funds. No detail fixed assets records are maintained for such assets still in service. Therefore, financial statements of the Enterprise Funds do not contain a provision for depreciation expense.

LONG-TERM DEBT – All long-term debt arising from modified cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt arising from modified cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide statements.

EQUITY CLASSIFICATION

**Government-Wide Statements**

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

1. **Summary of Significant Accounting Policies – contd.**

C. ASSETS, LIABILITIES, AND FUND EQUITY – contd.

EQUITY CLASSIFICATION - contd.

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

D. REVENUES, EXPENDITURES, AND EXPENSES

PROGRAM REVENUES

In the Statement of Activities, modified cash basis revenues that are derived directly from activity or from parties outside the Town's taxpayers are reported as program revenues. The Town has the following program revenues in each activity:

General Government – Licenses and permits.

Public Safety – Fine revenue and Fire run revenue.

Street & Public Works – Commercial vehicle and gasoline excise tax shared by the State.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, non-capital financing, or investing activities.

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

1. **Summary of Significant Accounting Policies – contd.**

E. INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

During the course of normal operations, the Town has numerous transactions between funds, including expenditures and transfer of resources to provide services, construct assets and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers. Non-recurring or non-routine transfers of equity are reported as residual equity transfers.

F. USE OF STATEMENTS

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Town requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

2. **Deposits and Investments**

The Town's cash deposits, including interest-bearing certificates of deposit, are entirely covered by Federal Depository Insurance (FDIC) or direct obligation of the U.S. Government insured or collateralized with securities held by the Town or by its agent in the Town's name.

3. **Restricted Assets**

Restricted assets recorded in the enterprise fund, the Wister Public Works Authority, is the meter deposit fund.

At June 30, 2022, the Town had the following restricted assets:

Wister Public Works Authority –	
Meter deposit fund –	
Held for refund to water customers	<u>\$ 49,947</u>

**TOWN OF WISTER, OKLAHOMA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**4. Long-term Debt**

The reporting entity's long-term debt arising from cash transactions is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

**Lease Purchase Obligations:**

As of June 30, 2022, the long-term debt, arising from cash transactions, payable from governmental fund resources consisted of the following:

The following is a summary of the long-term debt transactions of the Town for the year ended June 30, 2022:

	Capital Leases
Balance, July 1, 2021	\$ 123,495
Additions	-
Retirements	(36,981)
Balance, June 30, 2022	<u>\$ 86,514</u>

A brief description of the outstanding long-term debt at June 30, 2022 is set forth below:

	<u>Amount outstanding</u>
<u>Capital Leases</u>	
Lease agreement for 2020 Ford F150, totaling \$33,035, dated October 7, 2020, interest rate of 3.36%, due in monthly installments of \$548.75, beginning Nov. 2020, with final payment due May, 2026;	\$ 23,654
Lease agreement for 1998 Fire Truck and 2015 GMC 3500, totaling \$63,688, dated February 7, 2018, interest rate of 4.36%, due in monthly installments of \$655.36 beginning April 2018, with final payment due October, 2027;	39,303



**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

4. **Long-term Debt – contd.**

Capital Leases (contd)

Lease agreement for 2020 Ford F150, totaling \$34,572, dated October 7, 2020, interest rate of 3.36%, due in monthly installments of \$574.29, beginning November 2020, with final payment due February, 2026;

23,557

Total

\$ 86,514

The annual debt service requirements for the retirement of capital lease principal and interest are as follows:

Year ending June 30	Principal	Interest	Total
2023	\$ 18,371	2,970	21,341
2024	19,046	2,295	21,341
2025	19,747	1,594	21,341
2026	16,872	881	17,753
2027	7,469	396	7,865
2028-2032	5,009	80	5,089
Totals	<u>\$ 86,514</u>	<u>8,216</u>	<u>94,730</u>

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

4. **Long-term Debt** – contd.

BUSINESS-TYPE ACTIVITIES

**Lease Purchase Obligations:**

As of June 30, 2022, the long-term debt, arising from cash transactions, payable from business-type fund resources consisted of the following:

The following is a summary of the long-term debt transactions of the Authority for the year ended June 30, 2022:

	Capital Leases
Balance, July 1, 2021	\$ 80,737
Additions	-
Retirements	(31,767)
Balance, June 30, 2022	<u>\$ 48,970</u>

A brief description of the outstanding long-term debt at June 30, 2022 is set forth below:

	<u>Amount outstanding</u>
<u>Capital Leases</u>	
Lease agreement for sewer improvements, totaling \$190,911, dated 2/4/14, interest rate of 5.9%, due in monthly installments of \$2,109.93 beginning 3/7/14, final payment due 2/07/2024;	\$ 40,089
Lease agreement for sewer pumps, totaling \$53,570, dated June 14, 2017, interest rate of 3.36%, due in monthly installments of \$833.65, beginning July 2017, with final payment due May, 2023;	<u>8,881</u>
Total	<u>\$ 48,970</u>

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

4. **Long-term Debt – contd.**

The annual debt service requirements for the retirement of capital lease principal and interest are as follows:

Year ending June 30	Principals	Interest	Total
2023	\$ 32,464	1,881	34,345
2024	16,506	358	16,864
Totals	<u>\$ 48,970</u>	<u>2,239</u>	<u>51,209</u>

5. **Compensated Absences**

The Town requires its employees to take vacation within the year in which it is earned. Accumulated vacation, at June 30, 2022, is not material to the financial statements.

6. **Inter-fund Transactions**

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Town reports inter-fund balances between many of its funds. Some of the balances are considered immaterial and are aggregated into a single fund type. The total of all balances agrees with the sum of inter-fund balances presented in the statement of net assets. There were no inter-fund balances, as of June 30, 2022.

7. **Employee Pension Plans**

The Town does not participate in any retirement plan for its employees other than make payments to the Oklahoma Firefighters Pension Fund for volunteer firefighters.

**TOWN OF WISTER, OKLAHOMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**8. Commitments and Contingencies**

The Town participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The amount for expenditures that may be disallowed by the granting agencies cannot be determined at this time although it is believed by the Town that the amount, if any, would not be significant.

**9. Subsequent Events**

Management has evaluated subsequent events through the date of the audit report, which is the date the financial statements were available to be issued and have determined that no additional information needs to be added to the financial statements.

**TOWN OF WISTER, OKLAHOMA**  
**BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS**  
**GENERAL FUND**  
**FOR YEAR ENDED JUNE 30, 2022**

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues				
Sales tax	\$ 215,000	215,000	311,260	96,260
Franchise tax	19,400	19,400	25,719	6,319
Use tax	60,000	60,000	82,792	22,792
Cigarette tax	2,500	2,500	2,435	(65)
Alcohol beverage tax	17,300	17,300	16,899	(401)
Charges for services	84,500	84,500	17,425	(67,075)
Gasoline tax	3,300	3,300	1,857	(1,443)
Motor vehicle tax	8,700	8,700	8,220	(480)
Business permits	1,250	1,250	1,500	250
Grant revenue			100,776	100,776
Fines and forfeitures	94,476	94,476	129,115	34,639
Interest income	200	200	351	151
Miscellaneous	2,549	2,549	27,806	25,257
Total revenues	509,175	509,175	726,155	216,980
Expenditures				
General Government:				
Clerk	600	600	600	-
General Government	226,726	226,726	215,879	10,847
Public Safety:				
Police	184,125	184,125	172,736	11,389
Animal Control			1,349	(1,349)
Fire	22,785	22,785	71,573	(48,788)
Street and Public Works:				
Streets			76,452	(76,452)
Capital outlay	26,500	26,500		26,500
Debt service	48,439	48,439		48,439
Total expenditures	509,175	509,175	538,589	(29,414)
Excess of revenues over (under) expenditures	-	-	187,566	187,566
Fund balance, beginning of period	-	-	121,878	121,878
Fund balance, end of period	\$ -	-	309,444	309,444

The accompanying notes are an integral part of these financial statements.